

NZX Release

1 November 2016

Veritas first quarter market update

The Board of Veritas Investments Limited (NZX:VIL) provides its quarterly market update for the 1st quarter of FY2017, ended 30 September 2016.

Group Outlook

As at 30 September 2016, the Veritas Investments group remains on track to achieve the previously stated guidance of Revenue of \$50 m - \$55 m and Underlying NPAT¹ in the range of \$3.0 m - \$3.6 m for the year ending 30 June 2017.

Updates on individual business units are provided as follows:

Mad Butcher

Trading remains competitive with a number of stores experiencing aggressive supermarket competition. The company is entering what is traditionally its strongest trading period, being Christmas and summer. The company has implemented a number of marketing and cost control initiatives that have resulted in a slight improvement in underlying profitability despite the trading conditions mentioned above, compared to the previous year to date.

Nosh

The operational changes and profit improvement programme that Nosh has implemented are contributing to a reduction in the ongoing operating losses. We expect the results to further improve with the increased trading over the Christmas period. The franchise marketing programme continues with encouraging levels of interest.

Better Bar Company

During the first quarter The Better Bar Company exceeded its EBITDA budget and showed a significant improvement on last year's result for the same period. Ongoing improvements are planned for several of the outlets to enhance the customer experience. Trading is expected to be strong over the next quarter.

Kiwi Pacific Foods

The wind down programme for Kiwi Pacific Foods is on target and is largely complete. All remaining matters are expected to be finalised on or before 31 March 2017.

¹ Underlying NPAT is NPAT from continued operations excluding significant and/or non-recurring items.

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About Veritas Investments Limited

Veritas Investments is an NZX Main Board-listed investment company focusing in the Food and Beverage, Franchise and Hospitality sectors. The shell company was formed in December 2011 and made its first acquisition of the Mad Butcher franchisor business in May 2013 through a reverse acquisition transaction. A further investment was made in December 2013 for 50% of Kiwi Pacific Foods Limited. In September 2014 Veritas acquired the Nosh Food Market business. In November 2014 Veritas acquired The Better Bar Company group business.

www.veritasinvestments.co.nz